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Before the  
FEDERAL COMMUNICATIONS COMMISSION **RECEIVED**  
Washington, D.C. 20554

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In the Matter of

Truth-in-Billing

and

Billing Format

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

CC Docket No. 98-170

COMMENTS OF THE  
PERSONAL COMMUNICATIONS INDUSTRY ASSOCIATION

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**COMMENTS OF THE  
PERSONAL COMMUNICATIONS INDUSTRY ASSOCIATION**

The Personal Communications Industry Association ("PCIA"),<sup>1</sup> by its attorneys, hereby respectfully submits its comments regarding the Commission's *Notice of Proposed Rulemaking* in the above-captioned docket.<sup>2</sup> As set forth below, the Commission should refrain from adopting onerous regulations that describe in detail the permissible content and format of the customer bills prepared by CMRS and fixed wireless service providers. Rather than forcing such operators to follow one-size-fits-all billing requirements, the Commission should allow wireless

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<sup>1</sup> PCIA is an international trade association established to represent the interests of both the commercial and private mobile radio service communications industries and the fixed broadband wireless industry. PCIA's Federation of Councils includes: the Paging and Messaging Alliance, the Broadband PCS Alliance, the Site Owners and Managers Association, the Association of Wireless Communications Engineers and Technicians, the Private Systems Users Alliance, the Mobile Wireless Communications Alliance, and the Wireless Broadband Alliance. As the FCC-appointed frequency coordinator for the 450-512 MHz bands in the Business Radio Service, the 800 MHz and 900 MHz Business Pools, the 800 MHz General Category frequencies for Business Eligibles and conventional SMR systems, and the 929 MHz paging frequencies, PCIA represents and serves the interests of tens of thousands of FCC licensees.

<sup>2</sup> *Truth-in-Billing and Billing Format* (Notice of Proposed Rulemaking), CC Docket No. 98-170 (rel. Sept. 17, 1998) ("*Notice*").

carriers, already operating in a competitive marketplace, to respond to any customer concerns or questions about their bills. To the extent any Commission action can be justified by the facts, the Commission should at most develop flexible guidelines that protect consumers while allowing carriers to execute their business plans with minimal regulatory interference.

## **I. INTRODUCTION AND SUMMARY**

In its *Notice*, the Commission expressed concern that “telephone bills ... do not provide sufficient information in a user-friendly format to enable [consumers] to understand the services being provided and the charges assessed therefor, and to identify the entities providing those services.”<sup>3</sup> The Commission suggested that this lack of information has caused consumer confusion and, in addition to making it difficult for consumers to render informed decisions, has made it easier for third party service providers to abuse the billing system.

The Commission has sought comment on whether, in order to cure these problems, it is necessary to prescribe rules governing the format and content of telephone bills. The Commission first offered a number of proposals that would govern the structure or format of the bill, and asked whether these requirements would enhance the clarity and logic of bills and ensure that consumers are better able to monitor the services they are purchasing.<sup>4</sup> Second, the Commission proposed a number of rules governing the content of bills. These rules would

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<sup>3</sup> *Notice*, ¶ 1.

<sup>4</sup> *See id.*, ¶ 19. In particular, the Commission proposed that carriers be required to: (i) divide the bill into different sections, with each category of service appearing on a separate page; (ii) list each service provider on a separate page; (iii) include a separate “summary” page listing, among other things, the customer’s presubscribed local and long distance carrier; and (iv) include a separate “Status Changes” page describing any new carriers, services or other changes not present on the customer’s last bill. *Id.*

require carriers to include certain additional product descriptions and other information in their bills.<sup>5</sup>

PCIA supports the Commission's goal of ensuring clear, concise end-user bills and welcomes the opportunity to participate in the dialog concerning how best to achieve this objective. The adoption of a rigid set of rules that prescribe the permissible format and content of end-user bills for all carriers is not, however, the best way to achieve this outcome. In particular, because the concerns and possible harms identified by the Commission in the *Notice*—such as lack of bill clarity, “cramming,” and “slamming”—are relatively uncommon in the CMRS and fixed wireless industry, it is unnecessary to impose “one-size-fits-all” billing requirements on all telecommunications carriers. Rigid, detailed rules also would harm wireless consumers and carriers by increasing carriers’ billing costs (which would be passed on to consumers) without any measurable benefit. Furthermore, by tying carriers’ hands and forcing a unitary construct on all telecommunications carriers’ billing practices, wireless carriers would be prevented from adjusting the form and content of their bills to best meet their customers’ needs.

In competitive industries, reliance on the operation of marketplace forces should be sufficient to obtain the Commission’s objectives. To the extent any action is warranted, however, the Commission should at most promulgate broad guidelines to protect consumers, and allow wireless carriers to implement those policies consistent with the realities of the marketplace. Such guidelines and operations, if in fact necessary, would be sufficient to ensure

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<sup>5</sup> See *id.*, ¶¶ 22-34. The Commission also proposed that carriers be required to include: a “brief, clear, plain language description of the services rendered;” the name of the service provider or reseller associated with each charge; an explanation of “deniable” and “non-deniable” charges; a description of charges resulting from federal regulatory action; and consumer inquiry/complaint information.

customers receive the information they need to evaluate their bills and services, but would not result in the Commission micromanaging the business affairs and operations of wireless carriers.

Consistent with the commercial speech protections embodied in the First Amendment, the Commission should further allow carriers to describe their passed-through universal service contributions using truthful and non-misleading language of the carrier's own choosing. The Commission should, however, adopt "safe harbor" language that carriers are free to use on a completely voluntary basis to describe any Commission-related pass-through charges, such as for universal service.

Because carriers calculate the amount to be collected from end-users to meet universal service funding obligations based on *estimates* of the number of their subscribers (for *per capita* fees) or the level of service used by subscribers (for usage-based fees), carriers will ineluctably over- or under-collect their contribution amounts. While customers are entitled to a comprehensible explanation of universal service charge assessments, the Commission should under no circumstances designate any over-collections as "misleading or unreasonable."

Finally, apart from the legal and public interest issues discussed above, the scope of the Commission's jurisdiction to take the proposed actions is questionable. The Commission is not empowered under either Section 1 or Section 201 of the Communications Act to promulgate consumer protection measures such as detailed requirements specifying the form and content of end-user telephone bills.

## **II. IN SEEKING TO ENSURE TRUTH AND CLARITY IN BILLING, THE COMMISSION SHOULD NOT ENGAGE IN BUSINESS MICROMANAGEMENT**

PCIA endorses the Commission's general goal of ensuring that customer bills are "thorough, accurate, and understandable."<sup>6</sup> The Commission need not, however, micromanage the billing processes of individual carriers in order to ensure that consumers are fairly treated. In fact, rules mandating in excruciating detail the structure and content of end-user bills are not necessary in the wireless industry because CMRS and fixed wireless billing practices<sup>7</sup> have not engendered the level of consumer confusion described by the Commission in the *Notice*. Commission micromanagement as contemplated in the *Notice* also will impose unnecessary costs on wireless carriers and ultimately their consumers, thereby dampening the vibrancy of the wireless marketplace. Rather, to the extent *any* action is supported by the record in this proceeding, the Commission can accomplish its goals by promulgating flexible billing policies and guidelines that each carrier will be able to implement according to its individual circumstances.

### **A. Rules Dictating the Format and Content of End-User Bills Are Not Necessary in the Wireless Market Sector**

The principal concern expressed by the Commission in the *Notice* is that telephone bills can be unclear and confusing, and may fail to provide adequate information to consumers.<sup>8</sup> This concern is misplaced with respect to CMRS and fixed wireless billing. Indeed, to the best of

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<sup>6</sup> *Id.*, ¶ 6.

<sup>7</sup> Indeed, given that the fixed wireless industry is just now launching itself, there is little billing history at all.

<sup>8</sup> *See Notice*, ¶¶ 1-3.

PCIA's knowledge, the record before the Commission does not suggest that there exists extensive consumer confusion arising from wireless bills,<sup>9</sup> or that there are serious problems with wireless carriers' billing practices that merit regulatory intervention. In fact, driven by the competitive marketplace, wireless carriers have every incentive to provide clear and accurate bills to their customers.

As an initial matter, the *Notice* primarily focuses on problems stemming from local exchange carrier ("LEC") bills.<sup>10</sup> The Commission has cited no formal or informal complaints filed with it about wireless bills. While PCIA is not asserting there are *no* problems, it is clear that the wireless industry is not experiencing the same level of billing problems as the Commission has identified for landline services. Moreover, PCIA is aware of wireless carriers that are in the midst of revamping their billing systems in order to provide revised billing formats in response to customer and marketplace demand.

Most bills from LECs include a full range of local telephone service and features, as well as charges for services offered by long distance carriers. LECs' bills also regularly contain charges from third-party service providers, which offer add-on products and services ranging

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<sup>9</sup> To the extent there is any such confusion, it results in part from the large number of taxes, assessments, and regulatory funding obligations imposed in recent years on the industry. Carriers are liable for state and local sales or use taxes, universal service funding obligations, number portability funding obligations, North American numbering plan administration funding obligations—and this is not an exhaustive list. Many of these obligations are, for competitive reasons, being reflected as separate charges on wireless bills. While wireless carriers strive to make these charges understandable on the bills, some customers understandably are perplexed by this proliferation of charges.

<sup>10</sup> See *Notice*, ¶ 6.



from calling cards to voice mail to various “information services.” Wireless carriers generally do not provide billing for services provided by third parties, so there is less potential for confusion.

Furthermore, CMRS carriers’ billing practices are driven by the highly competitive nature of the market for wireless services. Because customers in most regions are able to choose among several service options from different CMRS carriers, it is a commercial necessity for wireless carriers to provide their customers with clear and accurate bills. CMRS customers are constantly being bombarded with offers to change service providers based on lower priced and/or higher quality services. In order to ensure that customers understand the cost of their service and what they are getting for their money, it is in every CMRS carrier’s commercial interest to ensure that customer bills are clear and understandable. CMRS providers simply cannot afford to engage in billing practices that engender consumer dissatisfaction.<sup>11</sup>

Thus, market forces have ensured, and will continue to do so, that CMRS customers are protected from misleading or uninformative billing practices. PCIA fully expects a similar environment will be present for fixed wireless service consumers.

Because CMRS bills are already straightforward and direct, it is unnecessary to impose additional burdensome regulations that prescribe the acceptable format and content of end-user bills. In fact, imposing such requirements would run the risk of unintentionally making bills *more confusing*. For example, several of the proposed rules would force carriers to list the same

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<sup>11</sup> CMRS carriers have incentives to maintain good bills because two very substantial costs of business—customer service and cancellation—directly relate to billing. If a CMRS carrier has poor bills, its costs will soar because it will require additional customer service personnel and it will have to sell more to stay in the same place.

service twice (*i.e.*, once on the regular bill, and once more on a mandated “summary” or “status” page),<sup>12</sup> a result that appears to be more likely to confuse than to help.

In addition, CMRS and fixed wireless service providers tend to bundle their services and features together and charge one price for the entire bundle of services. The offering of service packages for a single price directly responds to customer demand. Sprint PCS, for example, includes Caller ID, call waiting, and three-way calling in all of its service packages. It is therefore impractical—and potentially confusing to the customer—to include a separate billing page for each of these services, given that they are offered at no additional charge. As wireless carriers offer increasingly feature-rich basic service packages, complying with the Commission’s proposed rules would only become more difficult.<sup>13</sup> Moreover, as discussed below, requirements such as those proposed by the FCC would impose large monetary costs on CMRS providers, which would increase the price of wireless services, thereby outweighing any limited consumer benefits engendered by the proposed rules.

**B. Micromanagement of Wireless Industry Billing Practices Will Impose Substantial Costs on Wireless Providers**

The Commission also sought comment on the impact new rules governing billing format and content could have on the cost of preparing consumers’ bills.<sup>14</sup> It is clear that the invasive requirements proposed in the *Notice* would require wireless carriers to make costly changes to

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<sup>12</sup> See *id.*, ¶¶ 18-19.

<sup>13</sup> Because it will also be difficult for carriers to provide an accurate description of the services rendered *on the bill itself*, *Notice*, ¶ 22, PCIA suggests that, if the Commission ultimately requires such descriptions, carriers be permitted to utilize billing inserts for this purpose.

<sup>14</sup> *Notice*, ¶ 11.

their existing billing systems. This added cost, which would invariably be passed on to consumers, cannot be justified, especially since there is no apparent need to apply the proposed prescriptions to the wireless industry.<sup>15</sup>

As an initial matter, establishing a new layer of regulations for the wireless industry would add significantly to the costs faced by both carriers and the Commission. The *Notice* proposes a number of specific requirements that would be particularly costly for wireless providers to implement. For example, the proposed formatting requirements, such as listing each separate service or type of service on a separate page, or providing special “status change” and “summary” pages separately listing new services and other specified information,<sup>16</sup> would require CMRS and fixed wireless carriers to incur significant costs. Such costs would include redesigning the current billing software in order to generate the new format; the added paper, printing and postage costs of the new bill pages; and answering consumer questions about the new billing system. One of PCIA’s carrier members has estimated that the one-time cost of updating its billing hardware and software to add a new page to customer bills is between \$500,000 and \$1 million for the carrier’s entire subscriber base. This carrier has further estimated that changes to individual customer bills—such as denominating the addition or deletion of a new service—will cost 7 cents per subscriber per month for each new page added to the customer bill.

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<sup>15</sup> These added costs would also be particularly ill-timed, as carriers’ information technology resources are now fully taxed addressing Year 2000 issues.

<sup>16</sup> See *Notice*, ¶¶ 18-19.

Requiring carriers to provide a “status changes” page<sup>17</sup> will also compromise the business plans of wireless service providers. In particular, many wireless providers have reseller customers that are constantly adding and deleting individual units from their accounts. It would therefore be a major economic burden to require facilities-based carriers to highlight these changes in a separate section of the bill. Moreover, because these changes are provisioned in the facilities-based carrier’s billing system by the reseller’s personnel, the changes should come as no surprise to the reseller. Other wireless providers plan to offer information services as a separate product and allow the subscriber to add, delete, or modify these services using the Internet. Therefore, requiring the carrier to highlight these changes in a separate section of the bill will not provide the customer with any useful information, but will make it more difficult for the carrier to provide these services cost-effectively.

In addition to these one-time implementation expenditures and disruptions to their business plans, wireless carriers will have significant ongoing monitoring and compliance activities that will impose costs that must be recovered. Imposition of detailed billing requirements thus will become yet another set of regulatory costs imposed on the wireless industry that impede its ability to meet the needs of consumers.<sup>18</sup>

On the Commission’s side, adoption of rules micromanaging carrier bills will not be a one-time effort. Rather, the Commission will find itself in an ongoing supervisory role, forced

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<sup>17</sup> *Id.*, ¶ 19.

<sup>18</sup> See Letter to Magalie Roman Salas, Secretary, from Cynthia S. Thomas, Director, Regulatory Affairs, PCIA, re: *Ex Parte Notification: Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans*, CC Docket No. 98-146; *Unintended Consequences: Public Policy and Wireless Competition* by Dr. Michael L. Katz and John B. Hayes (filed Nov. 12, 1998).

frequently to revise its new billing rules to adapt to new technologies and new practices in the telecommunications industry. This ongoing regulatory participation in carrier billing activities runs counter to the pro-competitive, deregulatory philosophy underlying the adoption of the Telecommunications Act of 1996.

Moreover, the Commission must recognize that the customer bill is among the most important and regular contacts that a carrier has with its customer and forms the heart of the customer-carrier business relationship. Micromanagement of this essential interface could disrupt this relationship. Rules that dictate in detail a carrier's billing practices, for example, could interfere with carriers' ability to react to changing circumstances and provide customers with the best, clearest information. Rather than having the freedom to make improvements on their own, carriers would be locked into methodologies mandated by regulators. For these reasons, the Commission should proceed carefully before tampering with this line of communication between carriers and their customers.

Aside from any standards that may be adopted in this proceeding, carriers may also be faced with state-imposed billing requirements, which may be inconsistent with the new federal mandates. Where this occurs, carriers would be forced to attempt to harmonize multiple, possibly conflicting requirements. To the extent it is impossible to satisfy both federal and state requirements, a carrier would be placed in the untenable position of choosing to defy one jurisdiction's rules. In addition, carriers with service areas covering multiple states could face conflicting state mandates based on a customer's billing address. In order to avoid the administrative costs and confusion such overlapping rules would generate and preserve federal-state comity, the Commission should rely as much as possible on the marketplace as well as take steps to minimize inappropriate state regulation in this area.

**C. Rather Than Imposing Detailed Mandates on Wireless Carriers, the Commission at Most Should Set Forth General Guidelines To Ensure That Bills Are Clear, Complete and Truthful**

As noted above, imposing rigid, detailed, one-size-fits-all bill format requirements on all telecommunications carriers is not necessary to protect wireless end-users from unclear bills or outright fraud, could have the unintended effect of making wireless bills *more* confusing, and might create federal-state jurisdictional problems. The Commission should continue to permit the competitive wireless marketplace to function in addressing any billing revisions. Nonetheless, to the extent any action is warranted, the interests of wireless customers and providers alike would be served if the Commission were to adopt only general billing guidelines. Such an approach would allow wireless providers the flexibility to adapt their billing requirements to their unique business circumstances while ensuring that consumer interests are fully protected. Finally, if the Commission does adopt guidelines, these guidelines must preempt any state efforts to regulate billing form and content, because carriers with multi-state service areas cannot reasonably implement billing systems that are tailored to the different billing requirements for each state.

The Commission may decide that the record before it warrants implementation of billing regulations to address specific problems in particular industry segments. Mandates regarding the form and content of bills should only be developed as warranted by the record, however. As noted above, there is no indication that there exists a pattern of consumer confusion or carrier abuses in the wireless industry that merits the imposition of costly billing format and content requirements. Concepts of “regulatory parity” do not require the Commission to impose the same regulations on all parts of the telecommunications industry unless appropriate under the specific circumstances. It is essential that the Commission consider the impact of its proposals

on the wireless marketplace and wireless consumers before extending rules based on findings relevant only to another industry segment to CMRS and fixed wireless carriers.<sup>19</sup>

### **III. THE COMMISSION SHOULD PRESCRIBE NON-MANDATORY SAFE HARBOR LANGUAGE FOR UNIVERSAL SERVICE CONTRIBUTIONS**

In the *Notice*, the Commission identified as an additional source of consumer confusion the inclusion in end-user bills of pass-through charges, such as those to reimburse carriers for their contributions to fund the universal service support mechanisms. The Commission sought comment on whether carriers that pass on such charges to end-users currently provide “understandable information regarding the basis for these new charges and their amounts.”<sup>20</sup> In particular, the Commission requested comment on whether it should prescribe “safe harbor” language that carriers may choose to “use to ensure that they are meeting their obligations to provide truthful and accurate information to subscribers with respect to the recovery of universal service, access, and similar charges.”<sup>21</sup>

PCIA endorses the availability of “safe harbor” language defined by the Commission. Such language may, for carriers that choose to use it, reduce regulatory uncertainty.<sup>22</sup> If carefully crafted, this “safe harbor” language could possibly serve as a clear and truthful means of

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<sup>19</sup> The Commission should also recognize that, with respect to enhanced services (such as voice mail), the FCC’s rules may create an unlevel playing field. Non-telecommunications companies would be able to bill these services in the most efficient manner, whereas if the Commission imposes the proposed rules, telecommunications carriers offering the same services will have less flexibility to meet customer needs and will have higher costs.

<sup>20</sup> *Notice*, ¶ 26.

<sup>21</sup> *Id.*, ¶ 27.

<sup>22</sup> *See id.* Also, smaller entities, with more limited resources that may be devoted to addressing regulatory considerations, may find such language to be helpful.

explaining to the American public why carriers are assessing an end-user universal service fee on their customers.

In light of carriers' First Amendment rights, however, the use of such language should in no way be mandatory, and carriers should be permitted to draft their own language that may diverge, in whole or in part, from the "safe harbor" language. PCIA believes that carriers have an absolute First Amendment right to detail the items on their customer invoices with truthful and non-misleading identification of a universal service pass-through charge in words of their own choosing.

The Supreme Court, in *44 Liquormart, Inc. v. Rhode Island*,<sup>23</sup> clearly affirmed the right of businesses to engage in such commercial speech. In particular, the Court recognized "special dangers" that attend restrictions on commercial speech.<sup>24</sup> Moreover, the Court held that "bans that target truthful, nonmisleading commercial messages rarely protect consumers from [commercial] harm" and tend to "hinder consumer choice . . . [and] impede debate over central issues of public policy."<sup>25</sup> The existence of universal service subsidies and how they are to be funded is plainly an important public policy issue. Therefore, consistent with this unambiguous Constitutional mandate that permits the dissemination of truthful information regarding such issues, if a carrier chooses to pass its universal service contributions on to its customers as a line item on the consumer invoice, the carrier clearly is entitled to do so in truthful and non-misleading words of its own choosing.

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<sup>23</sup> 517 U.S. 484 (1996).

<sup>24</sup> *Id.* at 502.

<sup>25</sup> *Id.* at 502-3.



Given the First Amendment considerations here, the Commission must ensure that the use of whatever “safe harbor” language it sets forth is truly voluntary. The suggested language should not become a presumptive requirement. Adoption of voluntary “safe harbor” language would balance multiple goals and best further the public interest.

**IV. THE COMMISSION MUST RECOGNIZE THAT THE AMOUNTS COLLECTED FROM CUSTOMERS TO COVER UNIVERSAL SERVICE REQUIREMENTS WILL NEVER ENTIRELY SQUARE WITH THE AMOUNTS PAID**

The *Notice* sought comment on whether it is “misleading or unreasonable ... for a carrier to bill a consumer for an amount identified as attributable to [universal service support or access charges] while charging more than the actual cost incurred.”<sup>26</sup> PCIA submits that, under the Commission’s universal service regime, such over- (and under-) collections are inevitable and therefore are neither unreasonable nor misleading. Rather, this type of circumstance is part of the practical business reality in a competitive marketplace.

In particular, the Commission’s universal service rules require carriers to contribute to the universal service fund based on the carrier’s end-user telecommunications revenue from preceding time periods.<sup>27</sup> The carrier then must estimate how much to collect from its customers on a going-forward basis, without knowing how many customers it will have (for per capita fees) or their level of service usage (for usage-based fees). Because it is impossible for carriers to collect from their customers the precise amount the carrier must remit to the universal service

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<sup>26</sup> *Notice*, ¶ 31.

<sup>27</sup> See 47 C.F.R. §§ 54.709, 54.711. More specifically, a carrier’s quarterly contribution is set on a quarterly basis by applying certain contribution factors to revenue data submitted twice a year. See 47 C.F.R. § 54.711(a); *Instructions for Completing the Universal Service Worksheet*,  
(Continued...)

fund, the Commission should not deem such over-collections or under-collections as “misleading or unreasonable” under its rules. Moreover, the Commission’s concerns may already be addressed by state consumer protection laws targeting deceptive practices.

As PCIA has reiterated many times before this Commission, the wireless marketplace is highly competitive. In order to compete, carriers have market-based incentives to avoid driving up consumer costs, which greatly reduces the likelihood that carriers would significantly and intentionally over-estimate universal service pass-through charges. Moreover, should a problem arise with a particular carrier’s practices, the Commission has available all necessary regulatory and enforcement tools to address the specific factual circumstances.

## **V. THE FCC SHOULD LIMIT ITS ROLE TO THE ISSUANCE OF GUIDELINES**

In its *Notice*, the Commission sought comment on whether it “has jurisdiction to adopt each of the proposals” put forth for comment.<sup>28</sup> PCIA submits that it is not a proper role for the Commission to promulgate detailed consumer protection measures such as rules that prescribe the precise wording and format of the end-user bills issued by telecommunications carriers. The FCC’s enabling statute—Section 1 of the Communications Act—states that the purpose of the Commission is to make available to all Americans “a rapid, efficient, Nation-wide and world-wide wire and radio communication service with adequate facilities at reasonable charges ....”<sup>29</sup> Section 1’s grant of jurisdiction thus focuses on the FCC’s Congressionally-sanctioned role to

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(...Continued)  
*Form 457* at 1.

<sup>28</sup> *Notice*, ¶ 13.

<sup>29</sup> 47 U.S.C. § 151.

ensure that American citizens have access to an efficient, reasonably-priced telecommunications network.

As Commissioner Furchtgott-Roth pointed out when the *Notice* was adopted, there is doubt that “the Commission has specific statutory authority to regulate a bill’s description of [the] commercial relationship” between “carriers and their customers.”<sup>30</sup> Further, Commissioner Furchtgott-Roth’s has aptly suggested that, because the Federal Trade Commission may have concurrent jurisdiction over billing fraud, and has “considerably more expertise in the area of consumer protection and fair advertising,” it is the agency better suited to prevent unfair billing practices.

In the *Notice*, the Commission also asserts that its specific statutory authority to issue the proposed rules stems from Section 201(b) of the Communications Act, which declares unlawful any “charge, practice [or] classification . . . that is unjust or unreasonable.”<sup>31</sup> The Commission goes on to explain that it has previously acted, consistent with this statutory authority, to warn “a carrier that failure to correct misleading information it provided in connection with issuance of a calling card could constitute a violation of Section 201(b) and result in enforcement action.”<sup>32</sup>

The Commission’s narrow authority to ban unreasonable charges and practices pursuant to Section 201 does not, however, grant it the authority to intrude into the commercial relationship between a carrier and its customer by issuing rules governing the content and format of telephone bills. Indeed, the Commission’s proposed rules go far beyond merely prohibiting

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<sup>30</sup> *Notice*, Separate Statement of Commissioner Furchtgott-Roth.

<sup>31</sup> *Notice*, ¶ 13 (quoting 47 U.S.C. § 201(b)).

<sup>32</sup> *Notice*, ¶ 13.

charges and practices that are “unjust or unreasonable” by seeking to distinguish between shades of just and reasonable practices. For example, it cannot be said that a carrier’s decision to list services together on one bill page represents an “unjust or unreasonable” practice—yet, this is precisely the effect of a rule requiring carriers to list different services on separate pages. Similarly, a rule requiring a carrier to list all “new” charges and services a second time on a “status change” page cannot be said to be necessary to prevent an unjust or unreasonable practice.

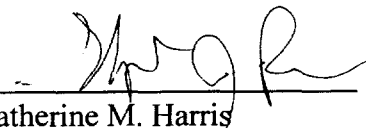
By attempting to issue detailed requirements regarding the form and content of telephone bills, the Commission is exceeding its jurisdiction under Sections 1 and 201 of the Communications Act. In order to avoid such jurisdictional overreaching, the Commission should, as discussed earlier in this pleading, limit its action in this docket to the issuance of flexible guidelines that will lead to truth and clarity in billing.

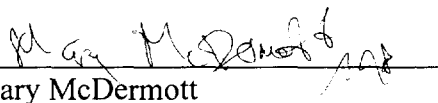
## VI. CONCLUSION

For the foregoing reasons, PCIA respectfully submits that the Commission should refrain from applying regulations governing the permissible format and content of end-user bills to the wireless industry.

Respectfully submitted,

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